

DEPARTMENT OF STATE  
WASHINGTON



August 12, 1949.

TO: The Central Intelligence Agency,  
Office of Reports and Estimates.

FROM: The Department of State,  
Office of Intelligence Research.

SUBJECT: IM-202: "Review of CIA Estimate ORE 60-48," Revised.

1. The Intelligence Organization of the Department of State dis-sents from CIA Intelligence Memorandum No. 202, Revised, in the following respects:

2. It is felt that the international situation is so fluid that it is impossible to attach any validity whatsoever to a prediction on the likelihood of war over so extended a period as the next decade.

3. In paragraph 4 the emphasis and interpretation are questioned. It is true that threatening moves were not made against Finland, Scandinavia, Yugoslavia or Iran at the time of the signing of the Atlantic Pact, and that such moves were previously considered possible, though not probable. They are, however, still considered possible and, at least in connection with Yugoslavia, it seems doubtful that they are less probable than in April. Tension may have been reduced slightly by the meeting of the Council of Ministers at Paris, but the Soviet propaganda campaign has not reflected this in the least, being close to its all-time high for vituperation. The desire for East-West trade appears to reflect a desire for goods from the west -- and incidentally goods which are useful in building up military potential -- more than a desire for peaceful relations with the West. The large-scale transfer of Soviet population groups from border areas is also no indication that the Kremlin anticipates peaceful relations with its neighbors.

4. While

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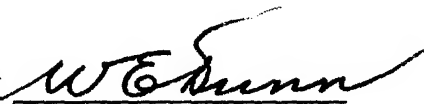
4. While evidence gradually accumulates that there is a degree of nationalist deviationism in the satellites, and that economic conditions are not as satisfactory as they might be, it may be equally well said that the longer time goes on without an overt challenge to the communist regimes in these countries, the more evidence there is that these regimes are able to cope with the situation. Though it may be the case that Soviet control over the orbit is less secure than it was in April, it is hard to find any balance of concrete evidence to demonstrate this.

5. Any conclusion to be drawn from the developing economic recession in the US may have to be modified by the fact that this recession appears at present not to be developing in a very alarming fashion. Also, it seems an open question whether the Soviet leaders would expect the US to withdraw from participation in European affairs in the face of economic troubles at home, or rather, in accordance with Marxist theory, to intensify its so-called imperialistic activities as a move to counteract domestic depression.

6. On the whole, while we concur in the estimate that war through deliberate Soviet military action or through miscalculation on the part of either side remains an improbability during the coming year or two, it does not feel that events transpiring since April 1949 have been such as to indicate any appreciable basic change in the situation.

For Allan Evans, Director,  
Office of Intelligence Research

By

  
W. E. Dunn

Chief, Intelligence Coordination Staff.

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